



**DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, D.C. 20224**

**SMALL BUSINESS/SELF-EMPLOYED DIVISION**

December 18, 2006

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**MEMORANDUM FOR EXAMINATION DIRECTORS**

**FROM:** Sherri L. Brown /s/ Sherri L. Brown  
Director, Examination Policy

**SUBJECT:** Referrals to the Office of Art Appraisal Services and Other  
Specialist Referrals

The purpose of this memorandum is to provide guidance to SBSE examiners on making referrals to the Office of Art Appraisal Services (AP:ART) and to set time frames for making requests to all specialists. This guidance supplements IRM 4.10.2.6.7 and will be included in the next revision of the IRM.

The Commissioner's Art Advisory Panel aids the Service in the review of cases involving taxpayer valuation of art objects. The Art Appraisal Services under the Chief Appeals reviews fair market value claims on works of art and cultural property in cases under examination and manages the Commissioner's Art Advisory Panel.

Internal Revenue Manual (IRM) 4.10.2.6.7, Referrals for Specialists, provides procedures for requesting the services of various specialists. To ensure timely referrals are made to Art Appraisal Services and other specialists, the following supplemental procedures are effective immediately:

- A referral must be made to the Art Appraisal Services when a return selected for audit includes art or cultural property valued at \$20,000 or more. A referral should be made as soon as practicable during the examination but no later than 30 days after the initial appointment or the group manager concurrence meeting which ever occurs first.
- The examiner is to follow the procedures outlined in IRM 4.48.2.3, Referral Procedures for Requesting Assistance in Art Valuations, in making their referral. A referral to the Art Appraisal Services is made on Form 5202, Request for Engineering Services.

- A referral for all other specialists including Engineers, International Examiners, Computer Audit, Employee Plan, Employment Tax, Excise Tax, Exempt Organizations, Federal, State and Local Governments, Joint Committee, Tax Exempt Bonds and Financial Products Specialist should be made using the Specialist Referral System (SRS). These referrals should be made as soon as practical during the examination but no later than 30 days after the initial appointment or the group manager concurrence meeting which ever occurs first.
- Examiners will continue to follow all other procedures outlined in IRM 4.10.2.6.7, Referrals for Specialist.

If you have any additional questions, please contact me or a member of your staff may contact Jerry S. Morey, Senior Examination Policy Analyst, Examination General Processes.

cc: SBSE Director, Specialty Taxes  
Chief, Appeals  
LMSB Director, Field Specialists  
TEGE Commissioner  
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